

# A Descriptive Study of Health Financing at Specialized Eye Hospitals in Indonesia

M. Ammar Al Ghifari, Irsyam Risdawati, Muhammad Arif Sahlepi

## Abstract

Eye care services in Indonesia, particularly in Specialized Eye Hospitals (RSKM), play an essential role in improving the quality of life of the population. However, healthcare financing in this sector faces major challenges, including the imbalance between hospital operational costs and revenue, as well as dependence on external funding sources such as health insurance and social assistance programs. This study aims to analyze the healthcare financing system implemented in Specialized Eye Hospitals in Indonesia and identify factors influencing service sustainability and quality. A descriptive qualitative approach was used by analyzing secondary data from relevant literature, including studies on health financing and the implementation of Law No. 17 of 2023 on Health. The findings indicate that despite the government's commitment to achieving Universal Health Coverage (UHC), disparities in healthcare benefits persist between the public and private sectors. The public sector tends to serve low-income populations, while higher-income groups rely more on private healthcare services. Furthermore, the National Health Insurance (JKN) system faces challenges such as overlapping revenue collection and unequal access to healthcare services, especially in rural areas. The implementation of Law No. 17 of 2023 is expected to address these disparities by promoting more transparent and equitable financing mechanisms, as well as increasing funding allocation for public hospitals. This study provides valuable insights for policymakers and hospital administrators in designing a more efficient and sustainable healthcare financing system.

**Keywords:** *Health financing, Eye hospitals, Universal Health Coverage, National Health Insurance*

M. Ammar Al Ghifari<sup>1</sup>

<sup>1</sup>Health Law, Universitas Pembangunan Panca Budi, Indonesia  
e-mail: [ammarghifari33@gmail.com](mailto:ammarghifari33@gmail.com)<sup>1</sup>

Irsyam Risdawati<sup>2</sup>, Muhammad Arif Sahlepi<sup>3</sup>

<sup>2,3</sup>Health Law, Universitas Pembangunan Panca Budi, Indonesia  
e-mail: [irsyam.risdawati@gmail.com](mailto:irsyam.risdawati@gmail.com)<sup>2</sup>, [arifsahlepi@dosen.pancabudi.ac.id](mailto:arifsahlepi@dosen.pancabudi.ac.id)<sup>3</sup>

2nd International Conference on Islamic Community Studies (ICICS)

Theme: History of Malay Civilisation and Islamic Human Capacity and Halal Hub in the Globalization Era

<https://proceeding.pancabudi.ac.id/index.php/ICIE/index>

## Introduction

Health services in Indonesia have experienced rapid development in line with increasing public awareness of the importance of access to quality healthcare [1]. One of the sectors that plays a crucial role in improving quality of life is eye care. Specialized Eye Hospitals (RSKM) serve as important facilities in managing various eye conditions, ranging from routine examinations to complex procedures such as eye surgery and advanced therapies.

Despite their strategic role, financing healthcare services in specialized hospitals remains a significant challenge [2]. Healthcare financing in Indonesia is influenced by multiple factors, including payment systems, operational costs, and the role of both government insurance (BPJS Kesehatan) and private insurance [3], [4]. Budget limitations, imbalance between expenditure and revenue, and dependence on external funding sources are critical issues in hospital management [5].

Additionally, specialized eye hospitals face challenges related to service quality, including shortages of healthcare personnel, outdated medical technology, and limited affordability for the general population [6], [7]. These challenges highlight the need for effective and efficient financing models to ensure sustainable and high-quality services [8], [9].

In Indonesia, collaboration between public, private, and philanthropic sectors is essential to ensure sustainability and accessibility of eye care services [10]. Therefore, this study aims to provide a comprehensive analysis of healthcare financing systems in specialized eye hospitals, as well as the factors affecting their sustainability and service quality.

## Research Methodology

This study employs a descriptive qualitative approach to systematically describe the condition of healthcare financing in Specialized Eye Hospitals in Indonesia. The data used are secondary data obtained from Google Scholar and other relevant literature, particularly those discussing health financing systems and Law No. 17 of 2023 on Health.

## Results

Healthcare financing in Indonesia faces considerable challenges, characterized by relatively low public health expenditure despite a large national budget. This condition leads to high out-of-pocket payments and suboptimal use of health insurance, disproportionately affecting low-income populations. Although the government has committed to achieving Universal Health Coverage (UHC), geographical conditions still hinder equal access to healthcare services, especially in rural areas [11].

Research by Setijaningrum (2023) shows that the principles of health financing in Indonesia have not been optimally implemented. One key issue is the lack of clarity in measuring the effectiveness of revenue collection. The system still experiences overlapping funding mechanisms, particularly within the National Health Insurance (JKN), leading to duplication. Additionally, budget deficits and low compliance in premium payments create obstacles in financing distribution and service provision [12]. The decentralization system also reveals that local governments still depend heavily on central government funding, indicating the need to strengthen regional fiscal capacity.

The JKN system, which applies a single-payer model and prospective payment mechanisms, shows disparities in healthcare costs across regions. Urban areas, especially in Java and Bali, receive greater benefits compared to rural areas, thereby increasing inequality in healthcare access [13].

According to a study conducted by Asante et al. (2023) in *The Lancet Global Health*, the phenomenon of hospital financing in Indonesia reveals disparities in the distribution of healthcare benefits between the public and private sectors. The public sector, particularly government hospitals, provides more benefits to low-income individuals, while the private sector tends to be utilized more by individuals with higher incomes. This reflects the challenges faced by hospitals in providing fair and equitable services to all segments of society, particularly

for those who are less well-off. Furthermore, the health financing system in Indonesia tends to be regressive, meaning that low-income individuals contribute a larger share to health financing compared to those with higher incomes. This decline in the progressivity of financing indicates challenges in achieving equity in health financing [14].

In this context, the implementation of Law No. 17 of 2023 on Health is particularly relevant. This law mandates more transparent and equitable financing and supports efforts to address disparities in access to and the quality of health services in hospitals, both in the public and private sectors. To this end, policies are needed to increase the financial contributions from high-income groups in a more progressive manner, as well as to allocate more funds to public hospitals to enhance service capacity and quality, particularly in areas with low-income populations. In addition, periodic monitoring and evaluation of this financing system will be crucial to ensuring the achievement of a fair and efficient health system in Indonesia [15].

## Conclusion

Healthcare financing in Indonesia, particularly in Specialized Eye Hospitals, continues to face significant challenges. Despite rapid growth in the healthcare sector, financing management remains suboptimal, with an imbalance between government spending and individual financial burden. This leads to reliance on out-of-pocket payments and exacerbates inequality in healthcare access, especially in rural areas.

The distribution of healthcare benefits is still uneven, with public hospitals serving low-income populations and private hospitals serving higher-income groups. The JKN system, although designed to promote equity, still faces issues such as overlapping funding, regional disparities, and low contribution compliance. Law No. 17 of 2023 on Health represents an important step toward improving healthcare financing through more transparent, equitable, and efficient systems. Strengthening decentralization and local fiscal capacity is expected to improve access and service quality.

Overall, sustainable and high-quality eye care services require strong collaboration between public, private, and community sectors, supported by continuous evaluation of financing policies.

## References

- [1] H. Herawati, R. Franzone, and A. Chrisnahutama, "Universal Health Coverage: Tracking Indonesia's Progress," 2020, [Online]. Available: <https://repository.theprakarsa.org/media/300817-universal-health-coverage-tracking-indon-85d91769.pdf>
- [2] O. Skrypnikova and T. P. Yurochko, "Financing mechanisms of ophthalmological care in ukraine: current state and main problems," *Ekonomika i deržava*, no. 9, pp. 94–98, 2022, doi: 10.32702/2306-6806.2022.9.94.
- [3] D. A. Arimbi, "Legal Opportunities Solutions to Tackle the Deficit in Indonesia's National Health Insurance Program," *Padjadjaran J. ilmu Huk. (Journal law)*, vol. 11, no. 3, pp. 317–338, 2024, doi: 10.22304/pjih.v11n3.a1.
- [4] A. B. Pratiwi *et al.*, "Is Indonesia achieving universal health coverage? Secondary analysis of national data on insurance coverage, health spending and service availability," *BMJ Open*, vol. 11, no. 10, pp. 1–11, 2021, doi: 10.1136/BMJOPEN-2021-050565.
- [5] O. R. Owolabi, F. O. Olatoye, O. A. Elufioye, and B. Okunade, "Reviewing healthcare financial management: Strategies for cost-effective care," *World J. Adv. Res. Rev.*, 2024, doi: 10.30574/wjarr.2024.21.2.0523.
- [6] M. Haemmerli, T. Powell-Jackson, C. Goodman, H. Thabrany, V. Wiseman, and V. Wiseman, "Poor quality for the poor? A study of inequalities in service readiness and provider knowledge in Indonesian primary health care facilities.," *Int. J. Equity Health*, vol. 20, no. 1, pp. 1–12, 2021, doi: 10.1186/S12939-021-01577-1.

- [7] J. Mangoma and W. Sulistiadi, "Island Health Crisis: Bridging Gaps in Indonesia's Healthcare Deserts," vol. 9, no. 2, 2024, doi: 10.7454/ihpa.v9i2.1005.
- [8] B. Bernstein, "Self-sustainable and inclusive eye care – Where equity meets excellence," *Indian J. Ophthalmol.*, vol. 70, no. 5, p. 1441, 2022, doi: 10.4103/ijo.ijo\_1008\_22.
- [9] S. Sabherwal, M. Javed, and I. Sood, "Public-Private Collaborations in Eye Care," *Delhi J. Ophthalmol.*, vol. 32, no. 5, pp. 93–96, 2022, doi: 10.4103/dljo.dljo\_52\_23.
- [10] J. Visnu, "Advancing philanthropy for ophthalmology in indonesia: unleashing the power of giving for vision care," *Ophtalmol. Indones.*, 2024, doi: 10.35749/wk778534.
- [11] F. F. Rahman, "Indonesia's healthcare landscape: embracing innovation in the new health regime," *Curr. Med. Res. Opin.*, pp. 1–8, 2024, doi: 10.1080/03007995.2024.2349732.
- [12] F. A. Pribadi and E. Setijaningrum, "Analisis Prinsip Pembiayaan Kesehatan dalam Mendukung Cakupan Kesehatan Semesta di Indonesia," *Jejaring Adm. Publik J. Ilm.*, 2023, doi: 10.20473/jap.v15i2.49582.
- [13] N. P. Sambodo, N. P. Sambodo, E. van Doorslaer, M. Pradhan, and R. Sparrow, "Does geographic spending variation exacerbate healthcare benefit inequality? A benefit incidence analysis for Indonesia.," *Health Policy Plan.*, vol. 36, no. 7, pp. 1129–1139, 2021, doi: 10.1093/HEAPOL/CZAB015.
- [14] A. Asante *et al.*, "The benefits and burden of health financing in Indonesia: analyses of nationally representative cross-sectional data.," *Lancet Glob. Heal.*, vol. 11, no. 5, pp. e770–e780, 2023, doi: 10.1016/s2214-109x(23)00064-5.
- [15] *Undang-Undang Republik Indonesia Nomor 17 Tahun 2023 Tentang Kesehatan*. Jakarta: Sekrtariat negara, 2023.